

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission
On Its Own Motion

Development of net metering
standards required by P.A. 95-0420

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07-0483

ORDER

By the Commission:

August 24, 2007 is the effective date of P.A. 95-0420 which adds Section 16-107.5 to the Public Utilities Act. Section 16-107.5 requires electricity providers (electric utilities or alternative retail electric suppliers) to equip net metering facilities (defined in the Public Act) with metering equipment that can measure the flow of electricity in both directions at the same rate.

Section 16-107.5(h) reads in relevant part:

Within 120 days after the effective date of this amendatory Act of the 95th General Assembly, the Commission shall establish standards for net metering....

The Illinois Commerce Commission ("Commission") has previously initiated a rulemaking proceeding (07-0293) in which the Commission was to consider, and make a determination concerning, whether or not the Commission would adopt the standard established under new Section 111(d)(11) of Public Utility Regulatory Policies Act of 1978 ("PURPA") (16 U.S.C. 2621(d)(11)) for the electric utilities that meet the retail sales criteria in PURPA. The application of the federal standard is intended for electric utilities with total sales of electric energy for purposes other than resale exceeded 500 million kilowatt-hours during any calendar year beginning after December 31, 1975, and before the immediately preceding calendar year (16 U.S.C. 2612(a)). On the basis of the annual reports submitted to the Commission for calendar year 2005, the Illinois utilities subject to this sales threshold are Commonwealth Edison Company, Central Illinois Public Service Company, Central Illinois Light Company, Illinois Power Company, and MidAmerican Energy Company. P.A. 95-0420, on the other hand, is generally applicable as it imposes the net metering requirement on all "electricity providers," defined as "an electric utility or alternative retail electric supplier" (Section 16-107.5(b)(ii)).

Under the terms of Section 16-107.5, all electric utilities that would have been subject to any rules or orders developed under Docket 07-0293 are included in the broader net metering requirements of the Illinois statute. With the statutory requirement

in Section 16-107.5 of the Act that the Commission establish standards for net metering within 120 days of the effective date of the Public Act and with the requirement that all electricity providers offer net metering no later than April 1, 2008 (Section 16-107.5(i)), it is appropriate at this time to open a proceeding that will develop the net metering requirements for electricity providers. The Commission also anticipates that Docket 07-0293 will be concluded in a manner consistent with the initiation of this proceeding.

The Commission, having considered the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) all electric utilities and all alternative retail electric suppliers under the jurisdiction of the Commission should be notified of this proceeding;
- (2) the Commission has jurisdiction over the subject matter herein;
- (3) the recitals of fact set forth in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;
- (4) this proceeding is a rulemaking and should be conducted as such;
- (5) a proceeding should be initiated to develop standards for net metering as required by Section 16-107.5 of the Public Utilities Act.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that a proceeding be initiated to develop standards for net metering as required by Section 16-107.5 of the Public Utilities Act.

IT IS FURTHER ORDERED that all electric utilities and all alternative retail electric suppliers under the jurisdiction of the Commission be sent a copy of this order.

IT IS FURTHER ORDERED that this proceeding is a rulemaking and shall be conducted as such and not as a contested case.

IT IS FURTHER ORDERED that this Order is not final; it is not subject to the Administrative Review Law.

By Order of the Commission this 18th day of September, 2007.

(SIGNED) CHARLES E. BOX

Chairman